

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3442-03
BILL NO. HCS for HB 1434 with SCA No. 1
SUBJECT: Entertainment; Liability; Public Safety
TYPE: Original
DATE: April 20, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue Fund	\$14,906	\$6,741	\$5,823
Total Estimated Net Effect on <u>All</u> State Funds	\$14,906	\$6,741	\$5,823

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and the **Department of Insurance** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Public Safety - Division of Fire Safety (FS)** assume their agency would be responsible for investigating amusement ride accidents that require individuals to seek immediate medical treatment or result in a fatality. In addition, FS would issue permits annually for amusement rides that operate in the state of Missouri and are deemed safe by an insurance inspector.

FS further assumes there are approximately 40 vendors that operate amusement rides within the state of Missouri. FS estimates that each vendor owns 50 rides that would need an inspection and permit. FS would charge \$15 per permit to cover costs. Estimated total permit fees collected into general revenue would be \$30,000 annually. FS would request 1 FTE – Clerk Typist II.

Amusement ride vendors – FS estimates that there are 60 amusement ride accidents per year that would require an investigation. The owner of an amusement ride would be responsible for any cost involved with such investigation. An independent amusement ride investigator charges approximately \$200 per hour (this includes expenses) and it is estimated that it would take 24 hours to complete the investigation.

FS noted that this legislation calls for a nine-member board that will meet at least three times a year and is housed within their division. FS may ask for expense and equipment appropriations to support the functions of the board.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Income</u> - Division of Fire Safety			
Permit fees	\$30,000	\$30,000	\$30,000

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
(continued)	(10 Mo.)		

Costs - Division of Fire Safety

Salaries	(\$8,424)	(\$17,521)	(\$18,223)
Fringe benefits	(\$2,590)	(\$5,388)	(\$5,604)
Equipment and expense	<u>(\$4,080)</u>	<u>(\$350)</u>	<u>(\$350)</u>
Total costs	(\$15,094)	(\$23,259)	(\$24,177)

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>\$14,906</u>	<u>\$6,741</u>	<u>\$5,823</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

\$0	\$0	\$0
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FISCAL IMPACT - Small Business

This proposal could impact amusement ride vendors.

DESCRIPTION

This proposal makes several changes to amusement ride regulations. The term "qualified inspector" is expanded to include members of the Amusement Industry Manufacturing and Suppliers (AIMS) that meet the Amusement Ride Safety Board's qualifications. The term "serious physical injury" is redefined and the term "serious incident" is defined. The proposal creates the Amusement Ride Safety Board to consult with engineering authorities, to adopt a code of rules and regulations governing maintenance, testing, operation and inspection of rides and to make recommendations to the State Fire Marshal concerning related safety issues. The board will consist of 9 members representing various interested parties.

In the case of a fatality, serious physical injury, or serious incident, the owner of the ride will immediately notify the State Fire Marshal's office. Current law requires the owner to send an

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DESCRIPTION (continued)

accident report to the Director of the Department of Public Safety by mail or fax within 24 hours. The proposal also allows the director's designee to inspect the amusement ride on which the accident occurred. Currently, the law requires a qualified inspector to make such an inspection.

The proposal states that a person shall not operate an amusement ride unless the owner:

(1) Has the ride inspected at least once annually by a qualified inspector and obtains written documentation that the inspection was made, that the ride meets the standards for coverage, and that it has coverage either by an insurance policy or bond for at least \$1,000,000 per occurrence or by cash or other surety acceptable to the department;

(2) Files with the department the inspection and insurance or their coverage documentation; and

(3) Obtains from the department a state-operating permit and affixes the permit to the ride. The cost of the permit will not exceed actual administrative costs. All fees collected for permits will be deposited in the General Revenue Fund.

The bill has an effective date of January 1, 2001.

This legislation is not federally mandated, would not duplicate any other program, and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety - Division of Fire Safety
Department of Revenue
Department of Insurance



Jeanne Jarrett, CPA
Director
April 20, 2000

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